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NO. 293-2013

TO:

Mayor Matti H. Bower and Members of the City Commission

FROM:

Jimmy L. Morales, City Manager

DATE:

August 24, 2013

SUBJECT: Status Regarding Log Cabin Mursery Tenancy

The purpose of this Letter to the Commission (LTC) is to inform the Mayor and City Commission of the status of the tenancy of the Log Cabin Training Center, operated on City-owned land by Sunrise Community, Inc., at 8108-8140 Collins Avenue, Miami Beach, FL 33139 (Leased Premises). The original Lease Agreement commenced on August 1, 2006 for an initial three year term with two additional options for three years each, at the sole discretion of the City Manager. The first option was exercised in 2009 and expired on July 31, 2012. When the tenant requested to exercise the second option, a default condition existed but was then remedied. Administration thereafter processed the approval of the renewal option for the final available term. for the period from August 1, 2012 through July 31, 2015.

On July 29, 2013, Staff met with the representative of the Log Cabin, Leslie W. Leech, Jr. and a representative from Miami Achievement Center for the Developmentally Disabled (MACTOWN). Clint Bower. The purpose was to advise staff that the Log Cabin operations was losing money, to the extent of \$140,000.00 per year and would need an early termination of the Lease or, in the alternative, an assignment of the Lease to MACTOWN, which enterprise had a better ability to fund the program through other ongoing programs and services which it currently serviced. Tenant was advised by Staff that an assignment of the Lease was not allowed under the terms and that the issue had to be brought to the attention of the Neighborhoods Committee for a decision.

On August 21, 2013, Tenant began moving its operations from the Log Cabin to other locations within the control of Tenant and is slated to have completely closed its operations and moved all personal property from the Leased Premises. Tenant's representative further confirmed that he intended to continue to meet the monetary obligations of the Lease, would not be accepting the CDBG Grant which they had been awarded for the fiscal year 2013-2014 and would vacate the leased Premises by September 5, 2013.

Staff will be meeting Tenant at the Leased Premises, once Tenant has completly vacated, for a final walk-through inspection and in order to secure possession and keys to the premises. Staff is in the process of drafting a Waiver of Leasehold Interest, which will be reviewed and approved by the City Attorney's Office and which will be executed at the time of Final Walkthrough. In addition, pursuant to the terms of the Lease, abandonment of the Leased Premises is a default under the lease and Staff is also in the process of sending a Default Notice, in order to document the default under the Lease.

Staff has already referred this matter to the next Neighborhoods Committee meeting, currently scheduled for September 30, 2013.

Please feel free to contact me with any questions.

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